REMARKS

By this amendment, Claims 1 and 3-10 are cancelled, Claims 21-38 are added, and no claims are amended. Hence, Claims 21-38 are pending in the application.

I. SUMMARY OF THE DECISION OF THE BOARD

The Decision of the Board (a) reversed the Examiner's decision to reject Claims 1 and 3-10 under 35 U.S.C. § 101 and (b) affirmed the Examiner's decision to reject Claims 1 and 3-10 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent Application No. 2002/0128904 to Carruthers et al. ("*Carruthers*").

II. ISSUES BASED ON THE CITED ART

Claims 1 and 3-10 were rejected under 35 U.S.C. § 103(a) as unpatentable over *Carruthers*. Claims 1 and 3-10 are canceled, which obviates this rejection.

A. CLAIM 21

Claim 21 recites:

> A method for determining which advertisements to include with electronic content delivered to users over a network, the method comprising the steps of:
> storing data that indicates delivery criteria and delivery obligations for each of a plurality of contracts, wherein each contract is associated with an advertiser of a plurality of advertisers,
> wherein each contract is associated with a separate advertisement of a plurality of advertisements,
> wherein a first contract with a first advertiser of the plurality of advertisers was formed before a second contract with a second advertiser of the plurality of advertisers;
> **after the plurality of contracts have been formed, receiving a request** to provide over said network a piece of electronic content that includes a slot for an advertisement;
> reading said data to determine delivery criteria associated with the plurality of contracts;
> comparing slot attributes of said slot with delivery criteria of said plurality of contracts to determine a subset of said plurality of advertisements which qualify for inclusion in said slot,

wherein both a first advertisement associated with the first contract and a second advertisement associated with the second contract qualify for inclusion in said slot,

wherein the second contract is associated with a behindness value that is currently greater than a behindness value associated with the first contract,

wherein the behindness value of each contract reflects how far behind a content provider is on satisfying the delivery obligations associated with each contract; and

from said subset of advertisements, selecting said first advertisement to include in the slot based, at least in part, on the first contract having been formed before the second contract. (emphasis added)

At least the above-bolded elements of Claim 1 are not disclosed, taught, or suggested by *Carruthers*.

1. Carruthers *fails to teach or suggest that a first ad is selected over a second ad despite the fact that the contract associated with the second ad has a greater behindness value than the contract associated with the first ad*

A behindness value of a contract reflects how far behind a content provider is on satisfying the delivery obligations associated with the particular contract. The term "behindness value", and its meaning, are clearly set forth in the current specification (see, e.g., page 13 of the specification). This term and its definition have been expressly added to Claim 1.

According to Claim 1, a first advertisement is selected based on the fact that a first contract (associated with the first advertisement) was formed before a second contract, despite the fact that the second contract has a behindness value that is greater than the first contract. *Carruthers* fails to teach or suggest this feature of Claim 1. Instead, *Carruthers* teaches a system where, once contracts are formed, the order in which advertisements are displayed is based on whether the daily goals (or objectives) of each campaign are reached. For example, if an ad campaign did not reach its impression goal for one day, then the subsequent day's impression goal for that ad campaign is increased in order to satisfy that ad

campaign's contract. Thus, *Carruthers* suggests that if a first ad campaign is further behind its goal relative to a second ad campaign, then the first ad campaign will be given more opportunities to fulfill its goal until the first ad campaign has "caught up" relative to the second ad campaign, which is contrary to this feature of Claim 1.

It should be noted that *Carruthers*' reliance on impression goals can directly lead to the "gaming the system" problem that the invention recited in Claim 1 is trying to avoid. That "gaming the system" problem is described in detail in the specification at paragraph 16.

2. Carruthers *fails to teach or suggest that the time of contract formation, relative to other contract formations, is taken into account when determining which advertisement to place in a slot*

Claim 1 recites "from said subset of advertisements, selecting said first advertisement to include in the slot based, at least in part, on the first contract having been formed before the second contract." Therefore, the selection of the first advertisement over the second advertisement is made after the respective contracts have been formed. Also, the selection is made based on the fact that the first contract was formed before the second contract. In contrast, *Carruthers* fails to teach or suggest that the time of when a contract was formed, relative to another contract, is taken into account when determining which advertisement to select to place in a slot. Once *Carruthers* has formed two contracts, the relative order in which the contracts were formed is irrelevant to the ad selection process. Indeed, there is no need for *Carruthers* to base its advertisement selection on when a contract was formed, because *Carrutthers*' Capacity Forecaster 52 has already determined that the agreed upon objectives of each accepted campaign are achievable.

B. CLAIM 30

Claim 30 is an independent claim that recites elements similar to those discussed above with respect to Claim 21, except that Claim 30 is recited in computer-readable medium format. Consequently, for at least the reasons given above with respect to Claim 21, it is respectfully submitted that Claim 30 is also patentable over *Carruthers*, and is in condition for allowance.

C. CLAIMS 22-29 AND 31-38

Claims 22-29 and 31-38 are dependent claims, each of which depends (directly or indirectly) on one of the claims discussed above. Each of Claims 22-29 and 31-38 is therefore allowable for the reasons given above for the claim on which it depends. In addition, one or more of Claims 22-29 and 31-38 introduces one or more additional limitations that render them patentable over *Carruthers*. For example:

1. Claim 27

Claim 27 depends on Claim 21 and additionally recites "associating a priority class with each of said plurality of advertisements; and filtering out of said subset one or more advertisements that have a priority class that is lower than the priority class of any other advertisement that belongs to said subset." Thus, advertisements are filtered out (of a set of advertisements) that have a priority class that is lower than the priority class of any other advertisements in the set. In rejecting Claim 9 (which is similar to Claim 27), the last Final Office Action argued:

> Carruthers et al. teaches that there is another type of ads – default or filler ads. These ads are used when the requesting user is not eligible for any active ads. Also, opportunities for "instant" ads such as when a user performs a search or requests a particular URL are solved by providing such filler ads. This is taken to provide a second priority class of ads to be used when no higher priority ads are available.

Carruthers refers to filler ads and instant ads only in paragraphs 75 and 76. However, *Carruthers* fails to teach or suggest that after a set of advertisements are determined, one or more advertisements are filtered (or removed) from that set, much less that the filtered out advertisements have a priority class that is lower than any other advertisement in the set. Even though the filler ads and instant ads may be considered ads that have a low priority relative to other ads, filler ads and instant ads are never filtered out of a set of advertisements that qualify for inclusion in a particular slot.

2. Claim 29

As another example, Claim 29 depends on Claim 21 and additionally recites:

> wherein each contract of the plurality of contracts is formed regardless of the impact that delivery obligations associated with said each contract may have on the ability to satisfy delivery obligations associated with any contracts, of said plurality of contracts, that were formed previous to formation of said each contract.

In contrast, *Carruthers* teaches the exact opposite of this feature of Claim 29. The Capacity Forecaster 52 of *Carruthers* suggests objectives or goals (i.e., the alleged delivery obligations) of a campaign to relax if Capacity Forecaster 52 determines that it is not likely that the objectives of the campaign will be achieved. Thus, according to *Carruthers*, contracts are formed by taking into account the initial size of the delivery obligations.

Due to the fundamental differences already identified, to expedite the positive resolution of this case a separate discussion of all those limitations is not included at this time, although the Applicants reserve the right to further point out the differences between the cited art and the novel features recited in the dependent claims.

III. CONCLUSION

For the reasons set forth above, it is respectfully submitted that all of the pending claims are now in condition for allowance. Therefore, the issuance of a formal Notice of Allowance is believed next in order, and that action is most earnestly solicited.

The Examiner is respectfully requested to contact the undersigned by telephone if it is believed that such contact would further the examination of the present application.

To the extent necessary, a petition for an extension of time under 37 C.F.R. § 1.136 is hereby made. Please charge any fee shortages or credit any overages to Deposit Account No. 50-1302.

Respectfully submitted,

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